

**ACCOUNT OPENING DISCLOSURES AND GEM ACCOUNT BY ZALE DELAWARE, INC. ACCOUNT AGREEMENT****IMPORTANT INFORMATION ABOUT YOUR ACCOUNT**

Interest Rate and Interest Charges	
<b>Annual Percentage Rate (APR) for Purchases</b>	<b>29.99%</b>
<b>How to Avoid Paying Interest</b>	Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on Purchases if you pay your entire balance by the due date each month.
<b>Minimum Interest Charge</b>	If you are charged interest, the charge will be no less than \$1.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	<b>To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>.</b>

Fees	
<b>Annual Fee</b>	<b>None</b>
<b>Penalty Fees</b>	
<ul style="list-style-type: none"> <li>Late Payment</li> <li>Returned Payment</li> </ul>	Up to <b>\$35</b> . Up to <b>\$35</b> .

**How We Will Calculate Your Balance:** We use a method called "average daily balance (including current transactions)." See your account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided below in your account agreement. New York residents may contact the New York State Banking Department (1-800-518-8866) to obtain a comparative list of credit card rates, fees and grace periods.

**Deferred Interest Promotional Terms:** From time to time, as a GEM ACCOUNT by Zale Delaware, Inc. Account holder, you may be eligible for the following deferred interest promotions:

**NO INTEREST IF PAID IN FULL WITHIN 6 MONTHS.** If the balance is not paid in full in 6 months or if you fail to make two consecutive Minimum Payments by the due date, interest will be imposed from the date of purchase at a rate of 29.99%. Minimum payments required.

**NO INTEREST IF PAID IN FULL WITHIN 12 MONTHS.** If the balance is not paid in full in 12 months or if you fail to make two consecutive Minimum Payments by the due date, interest will be imposed from the date of purchase at a rate of 29.99%. Minimum payments required.

**Your Account is valid only at participating stores. For a list of participating stores, please call us at 1-888-999-6676.**

**GEM ACCOUNT BY ZALE DELAWARE, INC. ACCOUNT AGREEMENT****NONNEGOTIABLE CONSUMER NOTE****RETAIL INSTALMENT CREDIT AGREEMENT (Open-End)**

This Account Agreement ("Agreement") is our contract with you. Please read it carefully. By using this Account you are agreeing to all of the terms and conditions in this Agreement. The Agreement becomes effective when you provide the federal Truth in Lending Disclosures (see above), you use the Account, and we extend credit to you for that transaction.

**Definitions.** In this Agreement, the words "you" and "your" mean each person who applied for this Account and obligated under this Agreement or benefits from the use of the Account, the terms of which are set forth in this Agreement.

The words "we," "us," and "our" mean Mid America Bank & Trust Company ("MAB&T"), Dixon, Missouri or its servicer for this Account, Santander Consumer USA Inc. ("SCUSA"). The word "Retailer" refers to GEM ACCOUNT by Zale Delawa Inc.. The word "Account" means the line of credit established and governed by this Agreement.

**Promise To Pay.** In return for extending credit to you on this Account from time to time, you agree to pay us at address shown on your monthly billing statement ("Statement") for all advances we make on your behalf and at your request to finance the purchase of goods and services from Retailer. In addition to promising to repay the amounts you charge to this Account, you also agree to repay interest charges and other fees, according to the terms of this Agreement.

**Account.** Your Account is an unsecured line of credit. We will assign a credit limit ("Credit Limit") to your Account, and we may increase or decrease that credit limit from time to time, or restrict or terminate your access to credit at any time, subject to any notice required by applicable law. You agree to use your Account only to request purchases of goods and services on credit ("Purchases") from time to time in accordance with the terms of this Agreement. Any Purchases you make will reduce the amount of your Credit Limit available to you by the amount of the purchase. As you repay those amounts, your available Credit Limit will be restored. There may be a delay in restoring available credit until all payments have cleared and we have received funds from your bank. If we allow you to make purchases that exceed your Credit Limit, you promise to repay the amount that exceeds your Credit Limit immediately upon demand. Your Account is valid only at participating stores. For a list of participating stores, please call us at 1-888-999-6676.

**Interest.** We will charge interest on your Account at a daily periodic rate of 0.08216%. This is equivalent to an **ANNUAL PERCENTAGE RATE** of 29.99%.

**How We Will Calculate Your Balance.** Your due date is at least 25 days after the close of each billing cycle. We will not charge you any interest on Purchases if you pay your entire balance (less any Deferred Interest Balance indicated on your Statement) by the due date each month. If you do not pay your entire balance (less any Deferred Interest Balance) in full prior to the due date, we figure the interest charge on your account by applying the periodic rate to the "average daily balance" of your account. To get the "average daily balance", we take the beginning balance of your account each day, add any new purchases and fees, subtract any Deferred Interest Balance, and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance". Any negative daily balance will be treated as zero. Any portion of a balance that is repaid while subject to a grace period for interest charges is excluded from the daily balance and will not incur interest charges. For Deferred Interest Balances, we figure the deferred interest charge on each Deferred Interest Balance by applying the periodic rate to the "average daily balance" of each Deferred Interest Balance. To get the "average daily balance" we take the beginning balance of each Deferred Interest Balance, and subtract any payments or credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance". You authorize us to round any calculation used to determine interest charges and deferred interest charges, including rounding that may cause minor variations in our favor. The "daily periodic rate" is stated above. For any cycle in which you are charged an interest charge, you agree to pay a minimum interest charge of at least \$1.

**Deferred Interest Promotions.** From time to time, after you enter into this Agreement, we may offer deferred interest promotional terms for qualifying Purchases. These Purchases will be shown as Deferred Interest Balances on your Billing Statement. For Deferred Interest Balances, there are no Interest Charges if you repay the full balance before the promotional expiration date shown on your billing statement and pay your Minimum Payment Due by the due date each month. Deferred interest promotional terms will end on the promotional expiration date or, to the extent permitted by law, if you fail to make two consecutive Minimum Payments Due by the due date. If you do not pay the Deferred Interest Balance in full before the deferred interest promotional terms end, we will impose Interest Charges from the date of purchase at the Annual Percentage Rate (APR) for Purchases, and will transfer the respective balance and any deferred interest to your regular balance.

**Periodic Billing Statements.** We will make available to you a periodic billing statement at the end of each billing cycle. The periodic billing statement will show your Account balance at the end of the billing cycle reflected in the statement ("New Balance"), your Minimum Payment Due and other Account information. Unless you notify us of a billing error as provided in "Your Billing Rights" below, you accept your periodic billing statement as an accurate statement of your Account. There will be at least 25 calendar days between billing statements. The periodic billing statement we send to you each month will help you keep track of promotional balances, and when the promotion periods are ending.

**Minimum Payment Due.** For each billing cycle, you agree to pay at least the Minimum Payment Due shown on your Statement by the indicated due date ("Payment Due Date"). Your Minimum Payment Due will be the greater of: (a) \$25 or (b) any past due amounts, plus fees, plus accrued and unpaid interest charges, plus 1% of the New Balance (less any Deferred Interest Balance) reflected on your Statement, plus 1% of any Deferred Interest Balance reflected on your Statement. Notwithstanding anything to the contrary, if the New Balance is less than \$25, you agree to pay the entire New Balance. You may pay more frequently, pay more than the Minimum Payment Due, or pay your entire balance in full at any time without a prepayment penalty. Paying more than the Minimum Payment Due, however, does not relieve you of the obligation to make payments in subsequent billing periods. If you regularly pay more than the Minimum Payment Due, you will pay less in interest, and it may take less time for you to pay off your balance. Payments received by 5:00 p.m. CST (or CDT, if applicable) at the address shown on your periodic statement will be credited as of the date received. Payments received after 5:00 p.m. will be credited the following business day. If a Payment Due Date is scheduled for a Sunday, legal holiday, or any other date on which we are not open for business or on which the United States Postal Service does

not deliver mail, then we will credit any payment received on our next business day as if it were received on the scheduled Payment Due Date.

**Late Payment Fee.** If you fail to pay at least the Minimum Payment Due by its Payment Due Date, you will incur a late fee. The late fee will be the lesser of \$25 or the Minimum Payment Due. However, the fee will increase to the lesser of \$35 or the Minimum Payment Due if you fail to make a payment when due within six billing cycles of any prior late payment. The late fee will never exceed the amount of the Minimum Payment Due for the payment in default.

**Returned Payment Fee.** We may add a returned check fee for a returned payment. A returned payment is an electronic debit, payment check, or similar payment instrument, which is returned unpaid. We may add this fee the first time your payment is returned, even if it is not returned upon resubmission. The fee will be the lesser of \$25 or the Minimum Payment Due. However, the fee will increase to the lesser of \$35 or the Minimum Payment Due for any additional returned payment during the next six billing cycles after a returned payment. The returned payment fee will never exceed the amount of the Minimum Payment Due immediately prior to the date on which the payment is returned unpaid.

**Annual Fee.** You will be charged an annual fee of \$0.

**Application of Payments.** We may apply payments in the order we choose, subject to any limitations imposed under applicable law. However, for the final two billing cycles during which there is any Deferred Interest Balance, any payments in excess of the Minimum Payment Due are applied to the Deferred Interest Balance first.

**Unauthorized Account Usage.** If you notice the theft of your Account number or a possible unauthorized use of your Account, you should write to us immediately at: Credit Account Services, P.O. Box 650748, Dallas, Texas, 75265-0748, or call us at 1-888-999-6676. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed \$50.

**Default.** You will be in default under this Agreement if: (a) We fail to receive a Minimum Payment Due on the Payment Due Date; (b) You fail to timely comply with or perform any other obligation under this Agreement; (c) Any representation or warranty made by you to us is false or misleading; (d) You begin, or if any other person puts you in, a bankruptcy, insolvency or receivership proceeding; or (e) You die.

**Our Rights in the Event of Default.** If you are in default under this Agreement, we may, at our option and as permitted by law do any one or more of the following: (i) declare your entire Account balance immediately due and payable and proceed to collect it; (ii) close your Account; (iii) exercise all other rights, powers, and remedies given by law; and (iv) recover from you all charges, costs and expenses, including all collection costs and reasonable attorney's fees incurred or paid by us in exercising any right, power or remedy provided by law or this Agreement. Interest will continue to accrue on the Account at the contract rate until it is paid in full.

**Cancellation.** We may cancel your Account at any time at our discretion. If we cancel the Account, you will remain obligated to repay any outstanding balance. You may cancel your Account at any time by notifying us in writing that you wish for your Account to be closed and by paying us the entire balance in full.

**Credit Investigation and Information.** You authorize us to request and review your credit history by obtaining information from credit reporting agencies and others.

**Credit Reporting.** You agree that we may obtain information about you from third parties, including, but not limited to, consumer reporting agencies at any time while your Account is open. We may report information about your Account to credit bureaus. Late payments, missed payments, or other defaults on your Account may be reflected in your credit report.

**Amendments.** You agree that we may change any of the terms of this Agreement, including the amount and method of computing the interest and the applicable daily periodic rate, at any time. We will provide you with prior notice of such changes as and when required by law. To the extent that applicable law gives you the right to reject any particular change in terms, we will notify you of that right. If you have the right to reject any particular change, you may reject the change by notifying us of the rejection before the effective date of the change. If you opt-out, we, at our sole option, may choose to close your Account, and you can then pay the remaining balance on your Account under the terms of the version of this Agreement in effect prior to the changes. To the extent not prohibited by applicable law, any change in terms will apply to the entire Account and any balances of your Account.

**Communication about this Account.** We may contact you from time to time regarding your Account. We may contact you in any manner we choose unless the law says that we cannot.

**General.** You agree that if we grant any waiver, modification or other indulgence of any kind at any time, it shall apply only to the specific instance involved and will not act as a waiver, modification or indulgence for any other or future act, event or condition. We may delay enforcing any of our rights under this Agreement without losing them in accordance with applicable law. Time is of the essence of this Agreement. This Agreement constitutes the entire Agreement between the parties and no other agreements, representations or warranties other than those stated herein shall be binding unless reduced to writing and signed by all parties. You may not assign this Agreement without our prior written consent. We may assign this Agreement without your consent.

**Governing Law.** This Agreement will be construed, applied, and governed by the federal laws, and to the extent not preempted by federal law, the laws of the State of Missouri, including, with respect to rates and fees, Mo. Rev. Stat. § 408.145.

**Arbitration.** Except as otherwise stated below, if you or we so choose, any Claim (as defined below) will be resolved by binding arbitration pursuant to (a) this Arbitration Provision and (b) the Code of Procedure of the national arbitration organization to which the Claim is referred (as in effect when the Claim is filed). Claims will be referred to either Judicial

Arbitration and Mediation Services ("JAMS") or the American Arbitration Association ("AAA"), as selected by the party electing to use arbitration. Streamlined arbitration procedures will be used if available. If a selection by us of one of these organizations is unacceptable to you, you have the right, within 30 days after you receive notice of our election, to select the other organization listed to serve as arbitration administrator. For purposes of this Arbitration Provision, "Claim" means any claim, dispute or controversy (whether in contract, tort, or otherwise), past, present or future, (collectively, "Claims") as further described below. (If for any reason a selected organization cannot, will not or ceases to serve as an arbitration administrator, you or we may substitute another widely recognized arbitration organization that uses a similar code of procedure and is mutually acceptable to the parties.)

**Right To Reject Arbitration.** You may reject this Arbitration Provision. If you do so, neither you nor we have the right to engage in arbitration. Rejecting this Arbitration Provision will have no effect on any of the provisions in this Agreement. To reject this Arbitration Provision, you must send us your written rejection, signed by persons obligated on the account, within 60 days after we open your Account, or 60 days after any change in terms that affects this Arbitration Provision, to: Santander Consumer USA Inc., Attn: Legal Department, 1601 Elm St, Suite 800, Dallas, TX 75201. In your letter, you must give us the following information: Name, Address and Account number. The right to reject granted here applies solely to this Arbitration Provision, and not to any other provision of this Agreement, or to any other agreement with us. In the event of a dispute over whether you have provided a timely rejection notice, must provide proof of delivery. Neither party may elect to arbitrate an individual Claim brought in small claims court or your state's equivalent court, if any). However, if a Claim that is brought in small claims court is transferred or appeal a different court, either party may elect arbitration.

**Significance of Arbitration; Limitations and Restrictions.** IF YOU OR WE CHOOSE TO RESOLVE A CLAIM BY BINDING ARBITRATION, NEITHER YOU NOR WE WILL HAVE THE RIGHT TO (i) HAVE A COURT OR JURY DECIDE THE CLAIM BEING ARBITRATED (ii) ENGAGE IN PRE-ARBITRATION DISCOVERY (THAT IS, THE RIGHT TO OBTAIN INFORMATION FROM THE OTHER PARTY) TO THE SAME EXTENT THAT YOU OR WE COULD IN COURT, (iii) PARTICIPATE AS A REPRESENTATIVE OR MEMBER OF ANY CLASS OF CLAIMANTS IN A CLASS ACTION, IN COURT OR IN ARBITRATION, RELATING TO ANY CLAIM SUBJECT TO ARBITRATION OR (iv) JOIN OR CONSOLIDATE CLAIMS OTHER THAN YOUR OWN OR OUR OWN. OTHER RIGHTS AVAILABLE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION. Except as set forth below, the arbitrator's decision will be final and binding. Only a court may decide the validity of items (iii) and (iv) above. If a court holds that items (iii) or (iv) are limited, invalid or unenforceable, then this entire Arbitration Provision will be null and void. You or we can appeal any such holding. If a court holds that any other part(s) of this Arbitration Provision (other than items (iii) and (iv)) are invalid, then the remaining parts of this Arbitration Provision will remain in force. An arbitrator will decide all other issues pertaining to arbitrability, validity, interpretation and enforceability of this Arbitration Provision. The decision of an arbitrator is as enforceable as any court order and may be subject to very limited review by a court. An arbitrator may decide a Claim upon the submission of documents alone, or a party may request a telephonic hearing if permitted by applicable rules. The exchange of non-privileged information relevant to the Claim, between the parties, is permitted and encouraged. Either party may submit relevant information, documents or exhibits to the arbitrator for consideration in deciding a Claim.

**Broad Meaning of "Claims."** The term "Claims" in this Arbitration Provision is to be given the broadest possible meaning and includes (by way of example and without limitation) Claims arising from or relating to (i) the application for or issuance of your Account, (ii) use, terms, change in terms or addition of terms, closing or collection of your Account or this Agreement, (iii) advertisements, promotions or oral or written statements related to your Account, including any Claims regarding information obtained by us from, or reported by us to, credit reporting agencies or others, (iv) Claims between you and our parent corporations, wholly or majority owned subsidiaries, affiliates, predecessors, successors, assigns, agents, independent contractors, employees, officers, directors or representatives arising from your Account or this Agreement and (v) Claims regarding the validity, enforceability or scope of this Arbitration Provision or this Agreement.

**Arbitration Procedure and Costs.** For a copy of relevant codes of procedure, to file a Claim or for other information about JAMS and AAA, write them, visit their web site or call them at: (i) for JAMS, <http://www.jamsadr.com>, 1-800-352-5267; or 1920 Main Street, Suite 300, Irvine, CA 92614 or [info@jamsadr.com](mailto:info@jamsadr.com), (ii) for AAA, 1633 Broadway, 10th Floor, New York, NY 10019 or [websitemail@adr.org](mailto:websitemail@adr.org), <http://www.adr.org>, 1-800-778-7879. If either party fails to submit to arbitration following a proper demand to do so, that party will bear the costs and expenses, including reasonable attorneys' fees, incurred by the party compelling arbitration. Any physical arbitration hearing that you attend will be held in the federal judicial district where you live at the time the Claim is filed. The party initiating the arbitration will pay the filing fee. You may seek a waiver of the initial filing fee or any other fees incurred in arbitration. If you seek, but do not qualify for, a waiver, we will consider any written request by you for us to pay or reimburse you for all or part of such fees. Each party will pay for its respective attorneys', experts' and witness fees, regardless of which party prevails in the arbitration. A party may recover any or all expenses from another party if the arbitrator, applying applicable law, so determines. Allocation of fees and costs relating to appeals in arbitration will be handled in the same manner. For an explanation and schedule of the fees that apply to an arbitration proceeding with JAMS, please visit <http://www.jamsadr.com/rules-streamlined-arbitration>; for AAA, visit [http://www.adr.org/consumer\\_arbitration](http://www.adr.org/consumer_arbitration). The appropriate fee schedule in effect from time to time is hereby incorporated by reference into this Arbitration Provision. If the

allocation of costs and fees in this Arbitration Provision conflicts with the rules of the arbitration organization selected to conduct the arbitration proceedings, then the rules of the arbitration organization shall apply. The cost of arbitration may be higher or lower than the cost of bringing your Claim in court, depending upon the nature of your Claim and how the arbitration proceeds. Having more than one Claim and holding face-to-face hearings can increase the cost of arbitration. Again, neither you nor we will be permitted to arbitrate claims on a class-wide (that is, on other than an individual) basis. An arbitration proceeding can decide only your or our Claims. You cannot join other parties (or consolidate Claims) except with respect to persons who use your Account.

**Governing Law for Arbitration.** This Arbitration Provision is made pursuant to a transaction involving interstate commerce, and will be governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 1 et seq., as amended, notwithstanding any other governing law provision in this Agreement. The arbitrator will apply applicable substantive law consistent with the FAA and applicable statutes of limitations and will honor claims of privilege recognized at law. Judgment upon any arbitration award may be entered and enforced, including without limitation by garnishment, attachment, foreclosure or other post-judgment remedies, in any court having jurisdiction. The arbitrator's decision will be final and binding, except for any right of appeal provided by the FAA, in which case any party can appeal the award to a three-arbitrator panel administered by the selected arbitration administrator. The panel will reconsider de novo (that is, without deference to the ruling of the original arbitration) any aspect of the initial award requested by the appealing party.

**Continued Effect of Arbitration Provision.** This Arbitration Provision will continue to govern any Claims that may arise without regard to any termination or cancellation of your Account. If any portion of this Arbitration Provision (other than the provisions prohibiting class-wide arbitration, joinder or consolidation) is deemed invalid or unenforceable under the FAA, it will not invalidate the remaining portions of this Arbitration Provision. If a conflict or inconsistency arises between the code of procedures of the selected arbitration administrator and this Arbitration Provision, this Arbitration Provision will control, except as otherwise provided herein.

## Your Billing Rights:

### *Your Billing Rights: Keep This Document For Future Use*

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

### *What To Do If You Find A Mistake On Your Statement*

If you think there is an error on your statement, write to us at:

Credit Account Services

P.O. Box 650748, Dallas, Texas, 75265-0748

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors *in writing*. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

### *What Will Happen After We Receive Your Letter*

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within *10 days* telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

*Your Rights If You Are Dissatisfied With Your Credit Card Purchases*

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (NOTE: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us *in writing* at:

Credit Account Services

P.O. Box 650748, Dallas, Texas, 75265-0748

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.